

Docket No. 98-827

November 16, 1998

HOULTON WATER COMPANY
Application for Approval
of Issue of Securities
(\$ 902)(\$4,500,000)

ORDER APPROVING ISSUE
OF SECURITIES

WELCH, Chairman; NUGENT and DIAMOND, Commissioners

On October 26, 1998, the Houlton Water Company filed with the Commission its application for authority to issue its bonds in a sum not to exceed \$4,500,000 through its underwriters (CIBC Oppenheimer and Tucker Anthony, Inc.), at an annual rate not to exceed 5.50 percent. The debt will be paid over a term not to exceed 22 years.

The Company requires these funds for the following purposes:

- | | |
|--|--------------------|
| • Refund existing higher-interest debt | \$3,205,500 |
| • Design, purchase and installation of 5,200 feet of 12-inch main and a hypolon liner cover over an existing 500,000 gallon underground reservoir tank | 532,900 |
| • Capital projects completed in 1998 or to be completed in the near future as detailed in the application | 525,000 |
| • Variable costs including debt service fund, bond insurance and issuance costs | <u>236,600</u> |
| | <u>\$4,500,000</u> |

Having reviewed the application of the Company together with data field in support of it, it is the opinion of the Commission that the proceeds of the issuance of the bonds are required in good faith for the purposes enumerated in 35-A M.R.S.A. § 901. In approving this securities issue, consistent with normal practice and pursuant to 35-A M.R.S.A. § 902(4), the Commission does not imply approval of the Company's capital needs or capitalization ratio for ratemaking purposes, nor does this Order limit or restrict the powers of the Commission in determining or fixing any rate.

Accordingly, we

O R D E R

1. That the Houlton Water Company is hereby authorized to issue its bonds in a sum not to exceed \$4,500,000 to be used solely for the purposes described in this Order, and at a rate not to exceed 5.50 percent per year through its underwriters (CIBC Oppenheimer and Tucker Anthony, Inc.) for a term not to exceed 22 years.

2. That the Houlton Water Company report to this Commission, in writing, its doings pursuant to this Order within sixty (60) days of the date of the sale of the proposed bonds, or by January 15, 1999, whichever may come first.

3. That the Administrative Director is hereby directed to mail an attested copy of this Order to interested parties and to close this Docket.

Dated at Augusta, Maine this 16th day of November, 1998.

BY ORDER OF THE COMMISSION

Dennis L. Keschl
Administrative Director

COMMISSIONERS VOTING FOR: WELCH
NUGENT
DIAMOND